Neifeld Docket No: PIP-69B-KATZ

Application/Patent No: 09/828,122 USPTO CONFIRMATION NO: 5972

File/Issue Date: 4/9/2001

Inventor/Title: KATZ/Paired Promotion Architecture

Examiner/ArtUnit: RETTA/**3622**

37 CFR 1.7(c) FILING RECEIPT AND TRANSMITTAL LETTER WITH AUTHORIZATION TO CHARGE DEPOSIT ACCOUNT

1. **THE COMMISSIONER IS HEREBY AUTHORIZED TO CHARGE ANY FEES WHICH MAY BE REQUIRED, OR CREDIT ANY OVERPAYMENT, TO DEPOSIT ACCOUNT NUMBER 50-2106.**

2. **FEES (PAID HEREWITH BY EFS CREDIT CARD SUBMISSION) $:**

A. CLAIMS FEES

$ - (claims previously paid for; currently present; $52 per addl. claim over 20.)

$ - (independent previously paid for; currently present; $220 per addl. claim over 3)

B. OTHER FEES

$ (Fee for filing a _____)

3. **THE FOLLOWING DOCUMENTS ARE SUBMITTED HEREWITH:**

37 CFR 1.181 PETITION TO WITHDRAW *FINALITY* OF EXAMINATION

4. **FOR INTERNAL NEIFELD IP LAW, PC USE ONLY**

USPTO CHARGES $: CLIENT BILLING MATTER: BANK ACCOUNT/Check: 6/ G/L ACCOUNT: 5010	FIRM CHARGES $: DESCRIPTION: FIRM CHARGE FOR LAWYER:

INITIALS OF PERSON WHO ***ENTERED*** ACCOUNTING DATA: ran

ATTORNEY SIGNATURE (AUTHORIZING DEPOSIT ACCOUNT)

DATE: 12-20-2008 **SIGNATURE**: /RichardNeifeld#35,299/

PRINTED NAME: RICHARD NEIFELD

Printed: December 20, 2008 (2:07pm)

Y:\Clients\Catalina\PIP-69B-KATZ\PIP-69B-KATZ\Drafts\Petition_PIP-69B-KATZ_12-19-2008.wpd

Neifeld Docket No: PIP-69B-KATZ

Application/Patent No: 09/828,122 USPTO CONFIRMATION NO: 5972

File/Issue Date: 4/9/2001

Inventor/Title: KATZ/Paired Promotion Architecture

Examiner/ArtUnit: RETTA/**3622**

ASSISTANT COMMISSIONER FOR PATENTS

ALEXANDRIA, VA 22213-1450

37 CFR 1.181 PETITION TO WITHDRAW *FINALITY* OF EXAMINATION

I. **STATEMENT OF THE PRECISE RELIEF REQUESTED**

The applicant request that the Director withdraw the finality of examination imposed in the office action mailed 12/5/2008 and have the office action reissued as a non final office action with a new date for responding based upon a new office action's mail date.

II. **MATERIAL FACTS IN SUPPORT OF THE PETITION**

1. On 7/29/2005, the USPTO mailed an office action rejecting claims 1-58. The rejections included rejection under 35 USC 101 of claims 1-9, 26, 28, 35-40, and 53-56 under the now discredited "technological arts" test in combination with a "useful, concrete, and tangible" test.

2. On 12/28/2005, the applicant filed an appeal brief in response to an office action dated 7/29/2005.

3. On 3/27/2006, the USPTO responded to the appeal by mailing an office action requiring election of either claims 1-58 or claims 59-64.

4. On 4/4/2006, the applicant responded to the March 27, 2006 office action by electing with traverse, claims 1-58. As a result, claims 59-64 stood withdrawn.

5. The applicant subsequently filed a petition requesting the Director withdraw the restriction requirement imposed in the office action dated March 27, 2006 and appealed the rejections of claims 1-58.

6. On 10/20/2008, the USPTO issued a decision on petition that reinstated withdrawn claims 59-64 and required an examination on the merits of all pending claims.

7. On 12/5/2008, the USPTO issued a final office action which examines claims 1-64. This includes new rejections of claims 59-64 under 35 USC 112 and 102 and claims 1-19, 24, and 26-28 under 35 USC 101 based upon an In re Bilski rationale. That is, the final office action dated 12/5/2008 contains new grounds of rejection in response to an appeal.

8. The 12/5/2008 final office action contains no basis explaining why it is final. All it states in that regard is that "THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).."

9. The version of 37 CFR 41.39(b) in force on 12/5/2008 (and still in force now, due to OMB delay of promulgation of new BPAI rules) states that:

If an examiner's answer contains a rejection designated as a new ground of rejection, appellant must within two months from the date of the examiner's answer exercise one of the following two options to avoid sua sponte dismissal of the appeal as to the claims subject to the new ground of rejection:

(1) Reopen prosecution. Request that prosecution be reopened before the primary examiner by filing a reply under § 1.111 of this title with or without amendment or submission of affidavits (§§ 1.130, 1.131 or 1.132 of this title) or other evidence. Any amendment or submission of affidavits or other evidence must be relevant to the new ground of rejection. *A request that complies with this paragraph* ***will be entered*** *and the application or the patent under ex parte reexamination* ***will be reconsidered by the examiner*** *under the provisions of § 1.112 of this title.* Any request that prosecution be reopened under this paragraph will be treated as a request to withdraw the appeal.

(2) Maintain appeal. Request that the appeal be maintained by filing a reply brief as set forth in § 41.41. Such a reply brief must address each new ground of rejection as set forth in §41.37(c)(1)(vii) and should follow the other requirements of a brief as set forth in § 41.37(c). A reply brief may not be accompanied by any amendment, affidavit (§§ 1.130, 1.131 or 1.132 of this title) or other evidence. If a reply brief filed pursuant to this section is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under paragraph (b)(1) of this section. [Italics and bold added for emphasis.]

10. MPEP706.07 states in part that:

Form paragraph 7.40 should be used where an action is made final including new grounds of rejection necessitated by applicant's amendment.

¶ 7.40 Action Is Final, Necessitated by Amendment

Applicant's amendment necessitated the new ground(s) of rejection

presented in this Office action. Accordingly, THIS ACTION IS MADE FINAL. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

11. The office action dated 12/5/2008 fails to assert that "Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action."

III. **Reasons Why the Relief Requested Should be Granted**

A. **Why this petition is filed**

The applicant's goal of this petition is to obtain entry of an amendment in response to the new grounds of rejections, prior to appeal or allowance. For the reasons presented below, the petition should be granted.

B. **Why the petition should be granted**

Making the 12/5/2008 office action final violates the administrative procedures act ("APA"), 37 CFR 41.39, and the requirements in MPEP 706.07.

There is no reasoned basis provided for making the office action final, in violation of the APA. Cf. CF. RSR Corp. v. Environmental Protection Agency, Civil Action No. CA 3-82-1056-G, UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, 588 F. Supp. 1251; 1984 U.S. Dist. LEXIS 15089; 21 ERC (BNA) 1861; 15 ELR 20129, July 10, 1984 ... v. ENVIRONMENTAL PROTECTION AGENCY, ET AL., Defendants (The EPA's determination that certain documents of a lead smelting corporation could be disclosed under FOIA was arbitrary, capricious, and an abuse of discretion because there was no explanation of the reasons for the agency's determination.) In all other office actions, the reasons why an office action is final are contained in the action. Such as, the reason noted in fact 11 as to what the MPEP instructs the examiner to assert, that the applicant's actions necessitated a new ground of rejection. There is no such reasoning in the 12/5/2008 office action.

Moreover, the failure of the 12/5/2008 office action to contain an assertion that applicant's action necessitated the new ground of rejection as plainly instructed by the MPEP suggests that the examiner knew that it was not applicant's action that necessitated the new

grounds of rejection in the office action. In fact, the applicant did nothing to require the new grounds of rejections; it was the examiner's procedural failure to examine properly presented claims 59-64 and the Director's decision on the petition requiring the examiner to correct that error that resulted in the examiner withdrawing the appeal only to issue new grounds of rejection. Accordingly, it was not the applicant's action that necessitated the new grounds of rejection, and therefore there is no basis under MPEP procedure for the new office action to be final. Thus, there is in fact no reasoned basis that could be presented why the office action is final. A reasoned basis is a requirement to comply with the APA, 5 USC 706. Lacking a reasoned basis for agency action, the agency action fails the requirements of the APA in 5 USC 706. CF. RSR Corp. supra.

Moreover, when action fails the agency's own internal guidelines to its staff, as here with respect to MPEP 706.07, the action is clearly arbitrary and capricious. Again, violating 5 USC 706.

In addition, there is no explanation how finality in response to an appeal could be consistent also with 37 CFR 41.39(b) and, in fact, it cannot be. 41.39(b) provides an applicant a right to have an amendment entered and considered when an examiner enters a new ground of rejection in response to an appeal. Yet, in this case, the examiner has entered a new ground of rejection, and by making the examination final, precluded the applicant from having an amendment in response to the new ground(s) entered and considered. In other words, the agency has acted inconsistently in this case compared to all other cases in which an examiner has imposed a new ground of rejection in an examiner's response to an appeal in an examiner's answer. Unexplained inconsistency in agency action is also a violation of the APA. Cf. Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co., 463 U.S. 29, 46-57, 77 L. Ed. 2d 443, 103 S. Ct. 2856 (1983). Motor Vehicle Mfrs. Ass'n relates to a change in agency policy in response for example to changed circumstances. In contrast, finality in the 12/5/02008 office action in this case relates to ongoing inconsistent agency action in implementation of its own rules, a much stronger case for violation of the APA.

To rephrase, the examiner's action in responding to an appeal with a final office action is procedurally improper. 41.39(b) specifies an applicant has the right to respond to a new ground of rejection in response to an appeal with entry of an amendment under 37 CFR 1.111. The

office action dated 12/5/2008 is in response to an appeal brief and contains new grounds of rejection. The fact that the 12/5/2008 paper is styled an office action instead of an examiner's answer does not change applicant's rights to act in response to a new ground of rejection imposed by an examiner after appeal. To limit applicant's rights because a paper is styled an office action instead of an examiner's answer would exalt form over substance. There is no reasoned basis for allowing that type of action, and allowing it would also violate 5 USC 706 since it would authorize an end run around 41.39(b) vitiating the rights afforded by 41.39(b) by allowing examiner's to vitiate the rights afforded by 41.39(b) in an arbitrary and capricious manner.

In sum, the finality in the 12/5/2008 office action violates 5 USC 706, 37 CFR 41.39(b), and is contrary to the instructions to the examiner in the MPEP. Accordingly, this petition should be granted.

Respectfully Submitted,
/RichardNeifeld#35,299/
Richard Neifeld, Reg. No. 35,299
Attorney of Record

RAN
Printed: December 20, 2008 (2:07pm)
Y:\Clients\Catalina\PIP-69B-KATZ\PIP-69B-KATZ\Drafts\Petition_PIP-69B-KATZ_12-19-2008.wpd